



CALIFORNIA STATE BOARD OF EDUCATION

ITEM # 15

JANUARY 2004 AGENDA

Subject: <i>No Child Left Behind Act of 2001: Identifying Title I-funded Local Educational Agencies (LEAs) for Program Improvement (PI); Section 1116(c)(3)</i>	<input checked="" type="checkbox"/>	Action
	<input checked="" type="checkbox"/>	Information
	<input type="checkbox"/>	Public Hearing

Recommendation:

Staff recommends Option 3 described in the attached issue paper, as the method for identifying for Program Improvement, local educational agencies that receive Title I funds.

Summary of Previous State Board of Education Discussion and Action

A preliminary version of the issue paper was sent to Board members in December. It explained the requirement under NCLB to identify Program Improvement (PI) LEAs and proposed three options for Board consideration. The attachment to this Agenda item replaces the earlier version.

Summary of Key Issue(s)

NCLB Section 1116 (c) requires states to annually review the progress of LEAs that receive Title I funds to determine whether schools that receive Title I funds are making Adequate Yearly Progress. The state "shall identify for improvement any local educational agency that, for two consecutive years failed to make adequate yearly progress as defined in the State's plan under Section 1111(b)(2)." Being identified as a Program Improvement LEA is a formal designation for Title I-funded LEAs. PI LEAs must meet the following requirements:

- Revise the local educational agency plan to include specific components.
- Set-aside not less than 10 percent of the district Title I allocation for professional development.

After two subsequent years in PI and continued failure to make AYP, the LEA is subject to corrective action and the state must take at least one of the specified corrective actions in year 3.

Three options for Board consideration are presented in the attached issue paper:

1. LEAs that do not meet all the components of AYP for two consecutive years, 2002-2003 and 2003-2004, would be identified for PI.
2. LEAs in which 75 percent or more of their Title I schools are PI schools for two consecutive years would be identified as PI.
3. LEAs that failed AYP and had a LEAwide API of less than 560 for the socioeconomically disadvantaged subgroup for two consecutive years would be identified as PI.

Staff recommends Option 3.

Fiscal Analysis (as appropriate)

The requirements for technical assistance to be provided by the CDE to PI schools and LEAs are extensive and will have considerable impact on the CDE's capacity to deliver such assistance.

Attachment(s)

[Attachment 1](#): Identifying LEAs for Program Improvement Issue Paper (Pages 1-8)

Identifying LEAs¹ for Program Improvement An Issue Paper

Purpose

The purpose of this issue paper is to describe various options for identifying LEAs that receive Title I funds for Program Improvement (PI) as required under the federal *No Child Left Behind (NCLB) Act of 2001*. The paper will discuss the impact of the various options and recommend a preferred method. The paper contains the following sections:

- Background about Adequate Yearly Progress
- State Responsibilities Regarding LEAs
- Consequences for LEAs Identified for PI
- Principles and Options for Identifying LEAs for PI
- Summary and Policy Recommendations

I. Background About Adequate Yearly Progress

A. Definition of Adequate Yearly Progress

NCLB requires each state to define Adequate Yearly Progress (AYP) for all schools, local educational agencies (LEAs), and the state. The California State Board of Education, in its Accountability Workbook, defined AYP for California. The definition requires all schools and LEAs to meet the following criteria:

- Must meet Annual Measurable Objectives (AMOs), a measure of percent proficient, for English Language Arts and mathematics for all students and for all numerically significant subgroups;
- Must meet a 95 percent participation rate on all applicable assessments for all students and for all numerically significant subgroups;
- Must show progress on the Academic Performance Index (API) of at least one point from each year or have a minimum API Growth score which is 560 in 2002-2003; and
- Must show progress on one of the three options for meeting the high school graduation rate requirement:
 - Achievement of a graduation rate of 82.8 percent or above for the 2002-2003 school year, **OR**
 - Improvement of at least 0.1 percent in the graduation rate each year, **OR**
 - Improvement of at least 0.2 percent in the average two-year graduation rate

¹ LEA refers to districts, county offices of education and direct-funded charter schools that receive Title I funds.

B. Criteria for Identifying Schools for Program Improvement

Program Improvement status is a formal designation for Title I funded schools and LEAs. Schools are identified for PI if they do not make AYP for two consecutive years on the same indicator (English language arts, mathematics, participation rate, Academic Performance Index [API], graduation rate). NCLB allows LEAs to choose to review the performance of students served or eligible to be served in Title I targeted assistance school.¹ For targeted assistance schools, California for the past two years has reviewed the progress of the socioeconomically disadvantaged subgroup only to determine AYP. Schoolwide program schools must meet the AYP requirements for all students and for all numerically significant subgroups. A school is eligible to exit PI if it makes AYP for two consecutive years.

There are certain types of required services and/or interventions that schools must implement during each year they are identified for PI. *These apply only to schools and LEAs receiving Title I funds.*

II. State Responsibilities Regarding LEAs

States have specific responsibilities in this area. In the context of AYP and PI, there are two major responsibilities that are discussed here.

A. State Review of LEAs

NCLB requires states to annually review the progress of each LEA receiving Title I funds to determine if the LEA is meeting the following requirements:

- Schools in the LEA receiving Title I funds are making adequate yearly progress.
- The LEA is carrying out its responsibilities in providing support to schools.
- Parental involvement requirements are being implemented.
- Teachers and teacher assistants are highly qualified.

In addition, the state must publicize and disseminate to LEAs, teachers, parents and students, and communities the results of the annual review.

B. Responsibility of States in the Identification of PI LEAs

In addition, NCLB Section 1116(c)(3) also requires states to identify for PI any LEA that, for two consecutive years, failed to make AYP as defined in the State's plan under

² A school that receives Title I funds can either be a schoolwide program (SWP) school or a targeted assistance school (TAS). In a SWP school, Title I funds are used to upgrade the entire educational program of a school that serves an eligible school attendance area in which not less than 40% of the children are from low-income families, or not less than 40% of the children enrolled in the school are from such families. In TAS, Title I funds are used to provide services to specific individual children that have been identified as being most at-risk of not meeting grade level academic standards.

Section 1111(b)(2). The state may choose to review only the progress of students served or eligible to be served in Title I targeted assistance schools. Although the previous reauthorization of the Elementary and Secondary Education Act (ESEA) of 1965 required states to identify LEAs in need of improvement, no LEA in California has ever been identified for PI. *The first year in which an LEA will officially enter PI status will be the 2004-05 school year after identification in summer 2004. This PI status will be based on 2002-03 and 2003-04 AYP determinations. An LEA may appeal the PI designation.*

III. Consequences for LEAs Identified for PI

An LEA identified for PI must meet the following requirements in the first two years of PI.

Year 1

- Revise its local educational agency plan within three months of identification to include specific components and implement the plan no later than the beginning of the next school year in the year following identification; and
- Set-aside not less than 10 percent of its Title I allocation for professional development. (This is in addition to the minimum 5 percent reservation for professional development to help teachers become highly qualified.)

Year 2

Continue to implement the plan developed in Year 1.

Year 3

A state may take corrective action at any time after an LEA is identified as PI. After two subsequent years in PI and continuing failure to make AYP, the state must impose at least one of the following corrective actions:

- 1) Defer programmatic funds or reduce administrative funds.
- 2) Institute and implement a new curriculum that is based on state academic standards.
- 3) Replace the LEA personnel who are relevant to the failure of the school to make academic progress.
- 4) Remove particular schools from the jurisdiction of the LEA and establish alternative arrangements for governance and supervision of the schools.
- 5) Appoint a receiver or trustee to administer the affairs of the local educational agency in place of the superintendent and school board.
- 6) Abolish or restructure the local educational agency.
- 7) Authorize students to transfer to another LEA with paid transportation. (If the state selects this option, an additional corrective action from the options listed in

items 1-6 must also be implemented.)

Additionally, an LEA in any year of PI may not be a supplemental educational services provider.

IV. Principles and Options for Identifying LEAs for PI

This section of the paper outlines the principles underlying the various methods to identify PI LEAs. It also presents three options embodying the principles carrying out the state's responsibilities to identify PI LEAs.

A. Principles Underlying a Method to Identify LEAs for PI

- Any option for identifying PI districts must meet the following principles:
- Be consistent with the API measures of the Public Schools Accountability Act (PSAA) and the new definition of AYP as required by NCLB;
- Be straightforward and easily understood by LEAs, schools, and the general public;
- Be fairly applied to all LEAs, with no LEAs unfairly affected; and
- Target available resources to effectively support LEAs most in need of assistance.

B. Options for Identifying LEAs as PI

Following are three options for identifying LEAs for PI. Included with each option is a description of how the option is applied and its impact. Pros and cons of each option are also included.

Option 1: *LEAs that do not meet all the components of AYP for two consecutive years, 2002-03 and 2003-04, would be identified for PI.*

Beginning in 2002-03, all LEAs received an AYP determination (in August 2003) based on all components of the AYP, which included:

- Meeting Annual Measurable Objectives (AMOs) – a measure of the percent of students proficient in English Language Arts and mathematics, for all students and for all numerically significant subgroups;
- Meeting a 95 percent participation rate on all applicable assessments, for all students and for all numerically significant subgroups;
- Showing progress on the Academic Performance Index (API) of at least one point or having a minimum API Growth score of 560; and
- Showing progress on one of the three options for meeting the high school graduation rate requirement:
 - achievement of a graduation rate of 82.8 percent or above, **OR**

- improvement of at least 0.1 percent in the graduation rate, **OR**
- improvement of at least 0.2 percent in the average two-year graduation rate

Option 1 aggregates student data for all students and for all numerically significant subgroups to the LEA level. Any LEA not meeting the aforementioned components of AYP in 2002-03 and 2003-04 would be identified for PI status.

Using this option, based on 2002-03 data, 58 percent of LEAs did not make AYP and are at risk of being identified for PI status if they fail to make AYP for a second consecutive year in 2003-04. Based simulations, it has been projected that 32 percent of LEAs would fail to make AYP for 2003-04 and subsequently be identified for PI at the beginning of the 2004-05 school year.

Pros

- This option uses the definition of AYP that currently applies to all LEAs.

Cons

- Using Option 1, it is possible, especially in smaller LEAs, for an LEA whose schools all made AYP, to be identified for PI because of the aggregation of all student and subgroup results to the LEA level.
- The aggregation of student data to the LEA level will identify LEAs for PI that may need to pay attention to some students, but may not identify the LEAs that are truly in need of improvement.
- CDE and the technical assistance support systems at the State and LEA levels currently do not have the capacity to provide quality assistance to such a large number of potential PI LEAs.

Option 2: *If 75 percent or more of an LEA's Title I-funded schools are identified as PI for two consecutive years, the LEA would be identified for PI.*

Option 2 is consistent with the general requirement that the state educational agency annually review an LEA to determine if Title I-funded schools are making adequate yearly progress. The impact of this option would result in a projected 41 LEAs being identified for PI at the beginning of the 2004-05 school year, but a disproportionate number of those LEAs are small LEAs. Dropping the threshold to 50 percent or more of Title I schools in an LEA identified as PI for two consecutive years would result in 106 LEAs identified for PI with a more representative sample of small to mid-size LEAs.

Pros

- The smaller number of LEAs identified for PI allows CDE necessary time to build

its capacity to work with PI LEAs and to put in place the technical assistance networks and systems needed to assist these LEAs.

- Gradually reducing the threshold to, or beginning with 50 percent, would produce a more representative sample of LEAs identified for PI.
- The use of school level data that is aggregated to the district level is consistent with the requirement to review the Adequate Yearly Progress of Title I schools in annually reviewing the progress of LEAs.

Cons

- This option would result in a disproportionate number of small LEAs being identified for PI if the 75 percent threshold is used.
- If the 75 percent threshold is used, urban school districts would have a very high threshold to meet before being identified for PI, and, as such, might never be identified, despite the fact that they receive the most Title I funds and serve the highest number of Title I students in the State.
- LEAs would be held accountable only for the achievement of their students enrolled in Title I schools only, so that a minority of schools in a district could throw the LEA into PI.

Option 3: *Title I funded LEAs that failed AYP and had an LEA-wide API of less than 560 for the socio-economically disadvantaged subgroup for two consecutive years would be identified for PI status.*

In determining the Adequate Yearly Progress of local educational agencies, NCLB offers the following flexibility to states:

- aggregate student data to the LEA level to determine PI status of LEAs;
- aggregate school level AYP data to the LEA level to determine PI status of LEAs;
- only review the progress of students that are receiving or are eligible to receive Title I services in targeted assistance schools to determine if those schools are making AYP and, in turn, if the LEA is making AYP.

This option proposes a combination of student data aggregation, and the use of the API for socioeconomically disadvantaged students (the proxy for Title I students) to determine the PI status of an LEA. There is consistency in using the 560 threshold, since it represents the 20th percentile of API scores and is parallel to the required starting point for AMOs.

A data simulation using this option resulted in the identification of 33 LEAs for PI in the 2003-2004 school year. Increasing the API threshold incrementally similar to the structure used for the school API thresholds would potentially identify the following numbers of PI LEAs:

Projected Number of LEAs Identified for PI Based on API Threshold

API less than 560 in 03-04	33
API less than 590 in 04-05	80
API less than 620 in 06-07	

(These figures do not account for any growth.)

Pros

- This option would result in a mix of LEAs, both small and mid-size, with the largest identified LEA having an enrollment of approximately 30,000 students in 2003-04.
- The option would target available resources to effectively support LEAs most in need of assistance.
- This option would hold LEAs accountable for the achievement of all of its students in English language arts and mathematics, including the socio-economically disadvantaged students who are eligible for or being served by Title I services.
- Using the API allows CDE to use an accountability measure that is accepted statewide and which focuses on growth in student achievement from year to year. The API includes the California High School Exit Exam (CAHSEE), the California Standards Tests in English language arts, math, social studies, and science, the norm referenced tests, and CAPA.
- The increase in the API threshold of less than 560 would result in a fair application across small, middle-size, and large school districts.
- There is consistency in using the 560 threshold, since it represents the 20th percentile of API scores and is parallel to required starting point for the AMOs.

Cons

- Initially large LEAs would not be identified using this option.
- The API portion of the criteria is based only on the achievement of the socioeconomically disadvantaged subgroup and does not include other numerically significant subgroups.
- The results for the socioeconomically disadvantaged subgroup may not be available until December, thereby delaying the identification of PI districts to December instead of August 2004.

V. Summary and Policy Recommendation

This paper has discussed the context and the state responsibilities for identifying PI LEAs. Three options to do so were presented. In weighing the procedures, impact, pros and cons of each option, Option 3 emerges as the best approach for meeting state responsibilities.

Therefore, Option 3 is recommended for adoption because it

- *focuses resources on LEAs most in need of assistance;*
- *is based on criteria already familiar to LEAs, schools, and the general public;*
- *does not unfairly impact some LEAs; and*
- *meets all of the principles of an identification method consistent with the requirements of the Public Schools Accountability Act (PSAA) and NCLB.*